

Appendix G

Supplemental Information on Characteristics of Pilot States, Communities, Employers, and Employees

APPENDIX G. SUPPLEMENTAL INFORMATION ON CHARACTERISTICS OF PILOT STATES, COMMUNITIES, EMPLOYERS, AND EMPLOYEES

This appendix is designed to supplement the information in Chapter III on the characteristics of pilot States, communities, employers, and employees. The analyses presented here were judged to be of less general interest than the analyses presented in Chapter IV and will primarily be of interest to researchers and others wishing to have a more in-depth background on the evaluation findings to date.

A. THE ORIGINAL BASIC PILOT STATES COMPARED TO THE NATION

1. ESTABLISHMENT OPENINGS AND CLOSINGS

Since the pilot program is designed to help with employment verification of new employees, States with high employee turnover can be expected to receive a greater benefit from the pilots than can other States. Establishment openings and closings constitute one factor influencing employee turnover. The five original Basic Pilot States, considered as a group, have above-average rates of establishment openings and closings. The ratio of establishments opened to all establishments is 6 percent greater for the original Basic Pilot States than for the Nation. The ratio of establishment closings to total establishments is 8 percent higher in the original Basic Pilot States than in the Nation. The difference in actual employment turnover rates attributable to establishment openings and closings is even higher than these figures. The percentage of employees affected by establishment openings is 8 percent higher in the original Basic Pilot States than in the Nation and the corresponding figure for employees affected by establishment closings is 14 percent greater in the original States (Exhibit G-1).

Exhibit G-1: Establishment Openings and Closings in Original Basic Pilot States Compared to the Nation (percent)

	Original Basic Pilot States	United States	Ratio of Original State to National Openings and Closings*
Establishment openings divided by number of establishments	12.5	11.9	1.06
Establishment closings divided by number of establishments	11.2	10.3	1.08
Employment associated with establishment openings, divided by total employment	6.4	5.9	1.08
Employment associated with establishment closings, divided by total employment	5.7	5.0	1.14

* Values may differ due to rounding.

SOURCE: Office of Advocacy, U.S. Small Business Administration, provided by the U.S. Census Bureau

2. INDUSTRY MIX

The original Basic Pilot States closely resemble the Nation as a whole in terms of industrial mix, using a broad measure for industry. The original Basic Pilot States contain 35 percent of all establishments in the country and between 30 and 39 percent of each of the broad industrial categories (Exhibit G-2).

Exhibit G-2: Distribution of Establishments by Major Industry: Original Basic Pilot States Compared to the Nation, 1996

Industry	Original Basic Pilot States	United States	Original State Establishments as Percent of National Establishments
All industries	2,374,265	6,738,476	35.2
Agricultural service, forestry, fishing	37,814	113,128	33.4
Mining	9,259	26,874	34.5
Construction	199,202	658,402	30.3
Manufacturing	135,513	393,356	34.5
Transportation, communication, public utilities	98,979	295,464	33.5
Wholesale trade	206,180	531,514	38.8
Retail trade	533,108	1,579,291	33.8
Finance, insurance, realty	249,639	650,131	38.4
Services	893,686	2,461,303	36.3
Nonclassifiable establishments	10,885	29,013	37.5

SOURCE: GENESYS Database, Marketing Systems Group

3. ECONOMIC STATUS

In terms of median household income, there is little difference between the original Basic Pilot States and the Nation (\$34,300 compared to \$34,100). However, a higher percentage of individuals in the original Basic Pilot States live below the poverty level (16 percent versus 14 percent).

4. AGE AND EDUCATION

The age and educational distributions of people in the original Basic Pilot States are quite similar to the distributions for the Nation as a whole (Exhibit G-3).

Exhibit G-3: Age and Education Levels in Original Basic Pilot States Compared to the Nation (percent)

Age and Education	Original Basic Pilot States	United States	Ratio of Original State to National Population
Age distribution (years)			
Under 18	26.3	25.8	1.02
18-64	61.2	61.5	97.99
65 and over	12.5	12.7	0.99
Education level			
High school graduates	74.8	75.2	1.00
College graduates	21.6	20.3	1.07

SOURCE: U.S. Census Bureau

B. VARIATION AMONG THE ORIGINAL BASIC PILOT STATES

The five original Basic Pilot States vary considerably with respect to characteristics that the evaluation team believes might affect the success of the pilot programs. In this section of the report, the original Basic Pilot States are compared to each other on the same variables used to compare the original Basic Pilot States to the Nation.

1. FOREIGN-BORN POPULATION

California stands out from the other original Basic Pilot States in terms of the absolute and relative sizes of both its foreign-born and undocumented immigrant populations (22 percent and an estimated 7 percent of the State's population, respectively; Exhibit G-4). The foreign-born populations of the remaining States vary from 8 percent for Illinois to 16 percent for New York. The percentage of undocumented immigrants in Texas is estimated at 4 percent, and the corresponding estimate for the remaining three States is 3 percent.

Exhibit G-4: Percentage of the Foreign-Born and Estimated Illegal Immigrant Population in Original Basic Pilot States

Population	California	Florida	Illinois	New York	Texas
Foreign-born population	21.7	12.9	8.3	15.9	9.0
Estimated illegal immigrant population	6.7	2.7	2.5	3.0	4.1

SOURCE: U.S. Census Bureau and Immigration and Naturalization Service

2. RACIAL/ETHNIC DIVERSITY

California is also the State with the largest racial/ethnic minority population. Fifty-one percent of California's population is non-Hispanic white, compared to 56 percent in Texas and between 65 percent and 72 percent in the remaining States. California also has by far the highest percentage of Asians/Pacific Islanders (12 percent compared to a range of 2 to 6 percent). Although California also leads the original Basic Pilot States in terms of the percentage of its population that is Hispanic (31 percent), Texas is a very close second (30 percent). The percentage of Hispanic population in the remaining original Basic Pilot States ranges between 10 and 15 percent (Exhibit G-5).

Exhibit G-5: Percentage of Population Within Specified Racial/Ethnic Groups in Original Basic Pilot States

Racial/Ethnic Group	California	Florida	Illinois	New York	Texas
Black	7.5	15.2	15.3	17.7	12.3
Asian/Pacific Islander	12.1	1.8	3.3	5.5	2.8
American Indian	0.9	0.4	0.2	0.4	0.5
Hispanic	31.0	15.0	10.2	14.4	29.7
Non-Hispanic white	50.5	68.6	71.6	65.4	55.9

SOURCE: U.S. Census Bureau

3. SIZE

California is by far the largest of the original Basic Pilot States in terms of population (33 million, compared to a range of 12 million to 20 million for the other original States). It also has the highest number of employees (11 million, compared to a range of 5 million to 7 million for the other original States) and establishments (654,000, compared to a range of 262,000 to 411,000 for the remaining original States). However, in terms of land area, California is the second largest original Basic Pilot State, behind Texas (156,000 square miles, compared to 262,000 square miles), but is much larger than the remaining three States, which range from 47,000 to 56,000 square miles (Exhibit G-6).

Exhibit G-6: Size and Population Density of Original Basic Pilot States

Size/Density	California	Florida	Illinois	New York	Texas
Population (in thousands), 1999 estimate	33,145	15,111	12,128	18,197	20,044
Number of employees (in thousands), 1995	10,952	5,206	4,949	6,779	6,783
Number of establishments (in thousands), 1995	654	350	262	411	392
Square miles (in thousands)	156	54	56	47	262
Persons per square mile	212.5	280.2	218.2	385.4	76.5

SOURCE: U.S. Census Bureau

4. POPULATION DENSITY

The ranking of the original Basic Pilot States in terms of population density is quite different from the other variables examined. New York is the most densely populated State, with 385 persons per square mile, while Texas is the least densely populated, with 77 persons per square mile. The population density in the remaining States ranges from 213 to 280 persons per square mile (Exhibit G-6).

5. ESTABLISHMENT SIZE

The original Basic Pilot States are quite similar to one another in terms of establishment size. New York has the highest percentage of establishments with fewer than 20 employees (79 percent) and Texas has the lowest percentage of such establishments (72 percent) (Exhibit G-7).

Exhibit G-7: Establishments with Fewer Than 20 Employees in Original Basic Pilot States

	California	Florida	Illinois	New York	Texas
Establishments with fewer than 20 employees	74.7	76.4	73.3	79.0	71.5

SOURCE: GENESYS Database, Marketing Systems Group

6. ESTABLISHMENT OPENINGS AND CLOSINGS

Illinois and Florida are the most and least stable of the States in terms of establishment openings and closings and employment related to these openings and closings. For example, approximately 4 percent of employees in Illinois were affected by establishment closings, compared to 7 percent in Florida and a range of 5 to 6 percent in the remaining States (Exhibit G-8).

Exhibit G-8: Establishment Openings and Closings and Associated Employment in Original Basic Pilot States

	California	Florida	Illinois	New York	Texas
Establishment openings as a percent of establishments	12.7	14.1	10.9	11.5	13.1
Establishment closings as a percent of establishments	11.4	12.5	9.6	10.7	11.2
Employment associated with establishment openings as a percent of total employment	6.1	8.1	4.8	5.6	7.3
Employment associated with establishment closings as a percent of total employment	5.8	7.3	4.2	5.0	6.0

SOURCE: Office of Advocacy, U.S. Small Business Administration, provided by the U.S. Census Bureau

7. INDUSTRY MIX

At the broadest level of classification, the original Basic Pilot States do not differ markedly in terms of industrial mix, except that there is a relatively high concentration of mining industries in Texas (Exhibit G-9).

Exhibit G-9: Distribution of Establishments by Major Industry in Original Basic Pilot States

Industry	California	Florida	Illinois	New York	Texas
Agricultural service, forestry, fishing	1.6	2.1	1.4	1.3	1.5
Mining	0.1	0.1	0.2	0.1	1.5
Construction	8.1	9	9.5	7.9	8
Manufacturing	6.8	4.2	6.4	5.4	5.2
Transportation, communication, public utilities	3.7	4.2	4.5	4	4.8
Wholesale trade	8.5	8.6	8.6	9.1	8.7
Retail trade	21.4	22.4	22.2	23.5	23.3
Finance, insurance, realty	9.9	10.9	10.3	12.1	9.7
Services	39.2	37.9	36.5	36.4	36.8
Nonclassifiable establishments	0.5	0.6	0.3	0.4	0.4
All industries	100	100	100	100	100

SOURCE: GENESYS Database, Marketing Systems Group

8. ECONOMIC STATUS

In terms of the economic well-being of its citizens, Illinois and California have above-average annual median household incomes (\$38,078 and \$36,767, compared to the national median of \$34,100). The three remaining States have below-average median incomes (ranging from \$29,998 for Florida to \$33,805 for New York) (Exhibit G-10). In terms of the percentage of the population living below the poverty level, only Illinois is below the national figure (11 percent, compared to 14 percent for the Nation as a whole). Texas, with 19 percent of its population below the poverty level, is considerably above the national average. The percentage of the population living below the poverty level in the other original Basic Pilot States ranges from 15 to 17 percent.

Exhibit G-10: Economic Level in Original Basic Pilot States Compared to the Nation

Economic Indicator	United States	California	Florida	Illinois	New York	Texas
Median household income	\$34,076	\$36,767	\$29,998	\$38,078	\$33,805	\$31,488
Percent of persons below poverty level	13.8	16.5	15.2	11.3	15.8	18.5

SOURCE: U.S. Census Bureau

9. AGE AND EDUCATION

With 29 percent of its population under age 18 and only 10 percent aged 65 and older, Texas has the youngest population of the original States. Florida has the oldest population, with 24 percent of its population under age 18 and 18 percent aged 65 or older (Exhibit G-11).

The original States do not differ dramatically in terms of the education levels of residents aged 25 and over. The percentage of high school graduates ranges from 72 percent in Texas to 76 percent in Illinois. The percentage of college graduates in this age group ranges from 18 percent in Florida to 23 percent in California.

Exhibit G-11: Age and Education Levels in Original Basic Pilot States (percent)

Age and Education	California	Florida	Illinois	New York	Texas
Age distribution (years)					
Under 18	27.0	23.7	26.5	24.8	28.5
18-64	62.0	58.0	61.1	61.9	61.4
65 and over	11.0	18.3	12.4	13.3	10.1
Education*					
High school graduates	76.2	74.4	76.2	74.8	72.1
College graduates	23.4	18.3	21.0	23.1	20.3

* Includes persons 25 years and older.

SOURCE: U.S. Census Bureau

